

BRIEF

Name of Project: "Fuel Switch to a less carbon intensive fuel at SFS Pvt. Ltd (SFSPL), Pakistan." Version 1.

Objectives:

- The main objective of the project activity is to switch engines from high fuel (diesel) to low carbon intensive, i.e. natural gas for power generation and boilers for steam generation and contributes towards sustainable development.
- To help in achieving the objectives of combating climate change under UNFCCC by reducing significant amount of greenhouse gas (carbon dioxide) emissions.

Date of Submission: 14th April, 2008.

Submitted by: S. Fazalilahi and Sons (Pvt) Limited

Project Sponsors: S. Fazalilahi and Sons (Pvt) Limited

Project Development Consultants: Emergent Ventures India (PVT) Limited.

Detail of Total Project Cost:

Description	Karachi Unit
Building construction charges (Rs.)	2291078
Electrical items & fitting charges (Rs.)	1362423
Gas installation charges (Rs.)	335343
Cost of 01 Nos. GE Jenbacher Generator (Rs.)	33385000
Total cost (Rs. Million)	37.37

Description	Lahore Unit
Building construction charges (Rs.)	2061832
Cost of 01 Nos. GE Jenbacher Generator (Rs.)	16571100
Cost of retrofitting boilers + Others	8000000
Total cost (Rs. Million)	26.63
Grant Total (Rs. Million)	64
Grant Total (US\$. Million)	0.98

Estimated Emission Reduction:

<u>Source</u>	<u>Tons of CO₂eq/ yr</u>
S. Fazalilahi and Sons (Pvt) Limited	9,455
Total annual reduction:	9,455

Operational Lifetime: 20 years.

Starting/Commissioning date: 2008

Crediting/Validity Period:

- Kyoto first commitment period: 2008-12
- Estimated validity period (Including Post Kyoto period): 2008-27

Economic Viability of the Project:

The project's additionality is not based on the financial analysis but rather on the barrier analysis.

Benefits from the Project:

Activity	Revenue (US\$) Million
Sale of Carbon Credits (@ US\$ 20/tonnes of CO ₂ eq):	0.18
Total estimated annual revenue:	0.18

Other Qualitative Benefits:

- The project reduces local air pollutants and environmental impacts due to increase use of natural gas for power generation.
- Project activities will enhance local employment opportunities that will be created particularly for the time span of construction and operation of the plant by reducing poverty in an economically depressed region.
- The project shall help in creation of both skilled and non skilled job opportunities.
- The project activity helps in reduction of GHG emission and mitigates the ill effects of climate change.
- The project activity would help spread awareness about GHG reduction and CDM benefits among the industry and promote its speedy implementation among industrial sectors.
- The project builds up a knowledge base about the operation of the natural gas power generation and builds up a skill set for such kind of operation.
- The Project activities will bring new equipments/machinery i.e. Gas engines and boilers, which will be imported from Austria, thus ensuring technology transfer to the country for enhancement of energy efficiency development projects.